FBIS DAILY REPORT

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LATIN AMERICA

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SALVADORAN, HONDURAN MINISTERS GIVE

PA030347Y Paris AFP in Spanish 2114 GMT 2 May

[Text] Lima, 2 May (AFP)--The foreign ministers of El Salvador and Honduras arrived in Lima today to present Peruvian mediator Jose Luis Bustamante with a joint proposal on the border conflict between their two countries. The two ministers will meet tomorrow, Wednesday.

According to Ministers Jose Antonio Rodriguez and Roberto Palma of El Salvador and Honduras, respectively, the seven-point document includes the points of agreement reached by their two countries as well as issues still pending.

Rodriguez, who took office on Monday, voiced his certainty that a "total agreement" will be reached and added that he has arrived in Peru with the hope that all the differences will be overcome. The minister, who will travel to Peru to attend the new president's inaugural ceremony, congratulated Peruvian [illegible].

For his part, Palma said that he "hopes a fair and elevated solution acceptable to both parties will be found here." He also congratulated [illegible] agreement with the United States. He then noted that his country is opposed to commercial protectionism and will sell its products to anybody around the world.

Mediator Bustamente, a former president of Peru and the [illegible] received the foreign ministers and said that he will travel to [illegible] he is invited, depending on the area's weather conditions. He added that the trip would be useful to become acquainted with the area's topography. He concluded that the document he will receive tomorrow will considerably [illegible] mission.

MEXICO PROPOSES ASSISTANCE TO DEVELOPING NATIONS

PL282204Y Mexico City INFORMEX in Spanish [illegible]

[Text] Mexico City, 28 Apr (ANSA-INFORMEX)--Mexico yesterday proposed that the countries having balance of payments surpluses should transfer some [illegible] $15 billion--to developing nations in order to close the gap between rich and poor countries. The proposal was made at a meeting of experts from [illegible] represent the 110 Third World members of the [illegible].

The Mexican proposal, made by Alfredo Phillips, head of Mexico's [illegible] international affairs, received prolonged applause from the [illegible].

The world economy is being examined at the meeting of the [illegible] of special drawing rights (SDR) were discussed and it was [illegible] new characteristics, in other words, that they be readily [illegible] be more viable.

The Third World delegates also condemned the [illegible] maintain against the trade of the developing world.

The Mexican proposal was approved in principle by the [illegible] observers of financial institutions such as the World Bank [illegible] the proposal should "polished" further.

Congressional Building

May 1977

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March

July 1978,

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Interior Minister Albano

San Martin

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Balbin emphasized that "in Mendoza I had no problem carrying on conversations, and even in Tunuyan I attended a luncheon given for me by friends, with many people in attendance."

Balbin said that he arrived in San Luis from Mendoza yesterday and "I had lunch with a friend at his house." He added that "then I came here to greet Becerra and when I was with him and other friends, including two doctors, the police came...."

Asked about his presence at the local police station, Balbin said that "we were under arrest, not detained: under arrest, that is the word."

He said that he is returning to the federal capital today on an Austral flight which will arrive at Jorge Newbery metropolitan airport at 1930.

FIRST BEAGLE COMMISSION AGREEMENTS REACHED

PY022120Y Buenos Aires TELAM in Spanish 1530 GMT 2 May 78 PY

[Text] Buenos Aires, 2 May--Both Argentina and Chile have approved proposals on the Beagle Channel submitted by the first joint commission in compliance with the Puerto Montt Act of 20 February 1978.

In a ceremony at the Foreign Ministry this morning, both countries agreed that the second commission under the above mentioned Puerto Montt Act will start to work in this capital within the period 22-26 May. The exact date will have to be set by the two foreign ministries.

The notes were signed by Foreign Minister Vice Adm Oscar Antonio Montes and Chilean Charge d'Affaires Gaston Illanes Fernandez since the new Chilean ambassador, who is already here, has not yet presented his credentials to the Argentine president.

The documents approved by the two governments are the final report of deliberations of the first commission which met 4-6 April (fourth session of first commission) and the proposals submitted by the first commission to create the necessary conditions of understanding and equality in a climate of peaceful coexistence until total and final solutions are found for the questions raised in the Puerto Montt Act.

The proposals submitted by the first commission are the following:

1. Both governments should issue orders to the authorities of each country in the southern zone to avoid any action or attitude contrary to the spirit of peaceful coexistence which must be maintained between the two countries.

2. The norms and measures proposed and the coorresponding attitudes will be abided by during the time of negotiations under the Puerto Montt Act. So acting and respecting the existing situation does not imply the affirmation or renunciation of rights the parties feel entitled to, and will not obstruct or influence any eventual regulation to be established in the future.

3. A guarantee is provided that installations and navigational aids of both parties in islands in the southern zone and the activities of whatever nature carried out therein will not have any offensive character or political, military or legal significance as stipulated in the Puerto Montt Act. Both parties will avoid any attitude which may jeopardize conditions of understanding and equality mentioned above.

4. The navigation of public and private ships of both parties to and from the Antarctic is guaranteed the same status it has had until now. This guarantee is extended to third countries' ships.

5. Public and private planes of both countries can overfly the southern zone in a straight line from takeoff to landing points. The same requirement applies to planes taking off from and landing at airports near the common border, except in cases in which human lives might be endangered by compliance with this requirement.

6. As far as movement of persons and vehicles between the two countries is concerned, the two governments will instruct the respective authorities to abide fully by the existing agreements, granting in equitable and reciprocal terms the facilities which have been routinely extended.

7. Each government will take steps as soon as possible to allow residents of the other country to normalize their situation within the country by granting facilities possible under current administrative norms, with the exception of criminals and undesirable persons.

8. A system of consultation, to facilitate normal and peaceful coexistence, is to be created, operated and improved by both the Argentine Joint Chiefs of Staff and the Chilean National Defense Staff.

9. Regarding the exploitation of renewable natural resources, the existing situation is to be maintained regardless of whether it resulted from practice or from regulations, particularly the regulation on the catching of crabs in the Beagle Channel, which was worked out at Ushuaia technical meeting on 8-9 July 1975.

10. Promotion of a greater exchange of professionals, greater mutual understanding and closer contacts between civilian and military authorities of both countries at the national and regional levels.

Finally, both governments will handle public information with objectivity and moderation so as to enhance the spirit of peaceful coexistence which inspired the Puerto Montt Act.

In the press communique on this morning's ceremony, San Martin Palace stated that, beginning with approval of these recommendations by both governments, a new phase of negotiations has begun for the complete solution of the pending questions with Chile.

The Argentine delegation to the first joint commission was composed of Maj Gen Pablo Osvaldo Apella, Rear Adm Jorge Demetrio Casas, Brig Gen Edgardo Nestor Calvi, Air Force Col Edsel Oscar Martinez Viademonte and Foreign Ministry legal adviser Guillermo Moncayo.

GEISEL ATTENDS LABOR DAY ACTIVITIES IN SAO PAULO

PY021906Y Florianopolis Radio Diario da Manha in Portuguese 1515 GMT 2 May 78 PY

[Text] During his speech yesterday at the Sao Paulo workers recreation and sports center, General Geisel stated that the majority of workers make less money than they want. He went on to point out that economic difficulties have made it hard to give salaries the value they should have.

(Argel Egydio dos Santos), president of Sao Paulo State Federation of Iron and Steel and Industrial Workers, did not speak during the ceremony as had been scheduled. He refused to speak because he would have had to prepare the speech in advance and submit it to the appropriate officials for approval.

(Luis Ignacio da Silva), president of San Bernando Iron and Steelworkers, did not attend the ceremony even though he had been invited.

Leaders of the housemaids professional association who were introduced to President Geisel took advantage of the opportunity to request that rules be established for this profession.

In his 18-minute speech President Geisel did not mention National Renewal Alliance [ARENA], nor did he speak of the November elections. In addition to this, Sao Paulo ARENA President Claudio Lembo was not even invited to the ceremony.

To political observers these facts confirm the government's intention to change the political framework, even eliminating ARENA.

Governor Paulo Egydio did not even attend the private dinner held in Geisel's honor at Bandeirantes Palace [Sao Paulo State Government house] last night. He preferred to stay in the hall and welcome the arriving officials and union leaders who had been invited.

Labor Day Demonstrations Reported

PY021740Y Aparecida Radio Aparecida in Portuguese 1430 GMT 2 May 78 PY

[Text] In the Sao Paulo ABC [Santo Andre-Sao Bernardo do Campo-Sao Caetano do Sul] industrial region there were several Labor Day demonstrations to criticize the government's salary policy. In Santo Andre, two Brazilian Democratic Movement congressmen, including Senator Franco Montoro, were booed by metallurgical workers, who said that they will not let politicians co-opt their just demands for use as political campaign issues.

SEVERO GOMES SUPPORTS ARENA 'INSUBORDINATION'

PY021618Y Aparecida Radio Aparecida in Portuguese 1430 GMT 2 May 78 PY

[Text] Former Industry and Commerce Minister Severo Gomes has said that insubordination within ARENA [National Renewal Alliance] is rampant and legitimate because the procedure followed in appointing some state governors disregarded the role of state conventions. Severo Gomes added that the insubordination is legal since the constitution stipulates that the election of governors is incumbent on the state conventions.

BRAZILIAN-CANADIAN JOINT COMMISSION ISSUES COMMUNIQUE

FY0214517 Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Apr 78 p 18 PY

[Text] Brazilian and Canadian delegates resorted to a diplomatic device to overcome difficulties in writing the final communique of the second meeting of the Brazilian-Canadian joint commission on the point regarding protectionist measures against Brazilian shoes: Rather than mentioning the continuing restrictions, they decided to emphasize the fact that those restrictions are being gradually reduced.

The issue of restrictions on Brazilian shoes had become a serious obstacle to the smooth working of the commission during the first days, on Monday and Tuesday of last week. The formula finally agreed on by the chiefs of the two delegations--Canadian Under Secretary of State Donald MacPhail and Brazilian Ambassador Paulo Tarso Flecha de Lima--to deal with the shoe problem in the final communique was couched in deliberately optimistic terms:

"With a constructive approach, the two countries also studied the existing obstacles for some Brazilian exports to Canada, and the Brazilian delegation expressed its desire that those obstacles be reduced shortly. The Canadian delegation brought up the question of Brazil's imports from Canada since the first meeting of the Brazilian-Canadian joint commission and expressed its hope that Brazil will soon adopt a more liberal import system."

REPORT ON UEKI'S CONCESSION TO PARAGUAY IN PARANA TALKS

FY2813402 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Apr 78 p 20 PY

[Text] According to an expert in the area of electricity production, Mines and Energy Minister Shigeaki Ueki's decision to first install the nine 50-cycle turbines (for Paraguay) at Itaipu was a concession which Brazil decided to make to Paraguay to insure its support in the discussions on the Corpus height with Argentina. This concession will make it necessary to plan Itaipu's transmission system over again.

Up until now, however, neither Ueki nor any other government official has given any explanation for the change in the priority for installation of turbines--from 60-cycle first to 50-cycle first. This change will call for early construction of the DC transmission system for which technology must be imported.

The same expert said that Paraguay would not allow Brazil's 60-cycle turbines to be installed first, since the country is experiencing a serious crisis in its electricity supply and urgently needs part of the energy to be generated by Itaipu (the rest is to be sold to Brazil). Another option could be the alternate installation of 50-cycle and 60-cycle turbines one at a time, until all 18 turbines which Itaipu will operate were installed. But this option would not be economical because Itaipu would then need to simultaneously set up two installation sites, one on each side of the Parana River (on the east side for Brazil and on the west side for Paraguay).

Another solution could be to install one 50-cycle turbine, which would be sufficient to meet Paraguay's demand for energy, and then proceed with installation of the 60-cycle turbines for Brazil and the remaining 50-cycle turbines for Paraguay. This solution would have the advantage of not requiring any change in the timetable for construction of the transmission lines to carry the electricity surplus from Paraguay, and Furnas Electric Company would have time to negotiate the price of the DC equipment which must be imported. Nobody, however, is saying if this solution has been proposed to Paraguay and, if it has, why it has been rejected.

SONDA III LAUNCHING SUCCESSFUL; SATELLITE PLANNED FOR 1987

PY281605Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Apr 78 p 18 PY

[Text] Natal--"By reaching a 610-km apogee, the rocket has set a national record," said Col Hugo de Oliveira Piva, director of the Brazilian space program. "A success is confirmed by what we have seen here at Barreira do Inferno," Air Force Brig Gen Araripe Macedo commented. These were the kinds of comments heard as information on the success of the Sonda III launching came in and as embraces were exchanged.

Colonel Piva confirmed that Brazil will launch its first satellite in 1987, and then "we will be at the same stage as the Soviet space program was in 1957." He agreed that the 30-year gap was very large, but pointed out that "we are moving rapidly and the gap will be closed soon."

Sonda III was launched at 1600 after a 30-minute delay. The delay was caused by the need to tighten 34 screws on the ignition starter. It took 13 minutes for the rocket to reach its 610-km apogee. Sonda III is 8 meters long and weighs 1,596 kg. Its top speed is 3,100 meters per second. Its construction cost 1.5 million cruzeiros.

A note distributed by the IAE [Space Activities Institute] explained that this launching was "the fifth experimental flight of Sonda III in a series of launchings to complete its testing: first and second stages, separation of stages and stage teledestruction system."

Colonel Piva expected testing of Sonda III to be completed with yesterday's launching. He believes that the Sonda IV program can be initiated in 1981, and for this purpose Barreira do Inferno is being remodeled and more sophisticated equipment will be installed there. One of those pieces of equipment includes French radar. The launching pads will also be modified.

The Sonda III first stage will serve as the Sonda IV second stage. As the Sonda IV program is completed, work will be started toward the final objective, which is the orbiting of a satellite. Colonel Piva said: "Our program is scientific and has nothing to do with military strategy. It is too early for that." He added that in an emergency, Barreira do Inferno can be adapted to national security needs.

Air Force Minister Araripe Macedo and Armed Forces Chief of Staff Tacito Theofilo Gaspar de Oliveira came to Natal, Rio Grande do Norte State, to watch the launching of Sonda III. In the morning they heard a lecture given by Colonel Piva and participated in a meeting of COBAE [Brazilian Space Activities Commission] afterward. Representatives of nine ministries were also present. Colonel Piva explained that "routine matters were discussed," as well as the possibility for international agreements, evaluation of programs for development of missiles, rockets, satellites, and solid or liquid propellants. Details were not revealed. As for international agreements, COBAE Secretary Col Denny Eiras Batista only said that "at this time we have a passive attitude, listening to all those who are interested."

PRISON HUNGER STRIKES REPORTEDLY SPREADING

PY292012Y Paris AFP in Spanish 0248 GMT 29 Apr 78 PY

[Text] Sao Paulo, Brazil, 28 Apr--Observers here today indicated there is somewhat of a commotion among Brazilian political prisoners as well as in student and labor circles.

This agitation is in addition to the discontent experienced by political circles due to the appointment of the future state governors.

A hunger strike in solidarity with the political prisoners in Itamaraca (Pernambuco) extended throughout Rio de Janeiro prisons.

Yesterday, 12 prisoners decided to join the movement begun on 17 April by 17 other detainees in Rio de Janeiro.

Four political prisoners are also on a hunger strike in Salvador de Bahia.

The Itamaraca prisoners are protesting the 3-year isolation imposed on two of their comrades, Rholine Sonda Cavalcanti and Carlos Soares, who are (?condemned) to life imprisonment.

In a telegram sent yesterday to President Ernesto Geisel by Martin Ennals, secretary general of Amnesty International, he states that an end to the isolation of prisoners was promised last November.

Patricia Feeney, a representative of the organization, sent a telegram of protest at the same time to Adm Helio Leite, president of the Superior Military Court.

Feeney wrote that Amnesty International "was greatly moved upon learning of the resumption of the hunger strike by the prisoners at Itamaraca and asks the Brazilian authorities to intervene in order to put an end to the strike and to the inhumane conditions at Campelo prison which violate the minimum prison standards established by the United Nations."

LABOR MINISTER ANNOUNCES MINIMUM WAGE FIGURES

PY290246Y Brasilia Domestic Service in Portuguese 2200 GMT 28 Apr 78 PY

[Text] Labor Minister Arnaldo Prieto announced today the new minimum wages which will be in effect beginning 1 May. The minimum wages vary in accordance with each region from 1,111.20 cruzeiros to 1,560 cruzeiros [monthly], that is, the increase ranges from 41 percent to 41.16 percent.

BRIEFS

DELEGATION TO PRESIDENTIAL INAUGURATION--Brasilia, 28 Apr--Luis Gonzaga do Nascimento Silva, Brazilian welfare and social security minister, will lead this country's delegation to the inauguration of Rodrigo Carazo as president of Costa Rica. The delegation includes Fernando Paulo Magalhaes, Brazilian ambassador to Costa Rica, and diplomat Cristiano Whitaker. [Paris AFP in Spanish 1612 GMT 28 Apr 78 PY]

NEWSPAPER SEIZED--Military forces yesterday seized 100 copies of the four-page tabloid 1 MAY which were being distributed to factory workers in Sao Paulo and in Sao Jose dos Campos. The paper was said to have been issued by the Catholic dioceses. [Sao Paulo Cadeia Verde Amarela in Portuguese 1000 GMT 28 Apr 78 PY]

NEONAZI MEETING RAIDED--Rio de Janeiro, 24 Apr--Reliable sources reported here today that the police discovered and raided a meeting which approximately 25 persons--some of whom were foreigners--were attending near Rezende, 150 km from Rio de Janeiro. The meeting was being held by the Movement for the Liberation of the German Reich and had opened on 20 April. The police made no arrests but seized anti-Jewish pamphlets and Nazi symbols. [Paris AFP in Spanish 1619 GMT 24 Apr 78 PY]

LABOR MINISTER ADDRESSES MAY DAY RALLY

PY020317Y Santiago Chile Domestic Service in Spanish 1511 GMT 1 May 78 PY

[Speech by Labor Minister Vasco Costa Ramirez in Santiago, Chile, on 1 May--live]

[Excerpts] We are gathered today once again for the traditional May Day celebration which in our country is known as the National Labor Festivity. This is an opportunity to explain how the government has met and will meet the guidelines of its basic principles. These principles recognize the value of work and the worker as basic elements in the life of the nation and set as a basic objective the restoration of the worker's dignity. This is one of the government's priority objectives, which has already been realized through many achievements. Becoming aware of the need to restore this dignity is not enough. It has to be materialized through achievements and this is the mission of the Ministry of Labor and Social Security.

The national government is engaged in a stage of reconstruction which can only be compared to the great stages of the republic when it had to struggle for independence. It was then necessary to create a new social structure through which the country made great historic achievements. We also have to struggle to keep the independence so seriously threatened between 1970 and 1973. Chilean forces, according to their tradition, were able to defend their independence, thus giving the country the opportunity to return to progress and development, which previously were stalled by the endless squabbling of parties. But progress is not feasible unless the community enjoys order and security. These requirements have been met today.

Order has been reestablished in all stages of social life and security has again become something which each person has a right to demand from the community, something which officials regard as their duty to guarantee.

These concepts, which apply to all levels of national life, are particularly meaningful in the labor sphere [word indistinct]; so that peace and harmony exist, reestablishment of order is not enough; so that peace and harmony become firm, a just equilibrium between intervening factors in any evolutionary relationship is indispensable.

This principle does not seem new. We have heard similar expressions for many years, until these became a dead formula whose arbitrary utilization by one group or another denatured its very essence. Today the whole country can, however, [word indistinct] all its work to [word indistinct], the reestablishment of juridical norms and practical mechanisms which mean a system of equal, operational, efficient and stable labor relations. For a long time and under apparently different conditions these relations were marked by promotion of division between capital and labor, businessmen and workers; by stimulating mutual distrust; by encouraging hatred; and by seeking to favor only small groups which monopolized power, believing that the greater the ambition and frustration of the different groups, the easier such power would be to grab. This disruptive effort went so far that it even pretended to promote the idea of classes, with incompatible interests, thus artificially dividing the nation, which was able to face and overcome, united, the greatest challenge in its history. This shows once again how foreign these ideologies are to Chilean nature. The voice which some people raised trying to make (?excited) people see the simple principle that worker and businessman are two components of a single relationship and that one without the other cannot exist was no good.

[illegible] advantage [illegible] a collective blindness which had been so cunningly provoked, the same groups which stimulated division used this unending struggle to promote a mushrooming government, until they gradually overran all members of the social organization, so that their selfish and vain power resulted in an impairment of general prosperity and the freedom of each individual.

The present situation is quite different. The fields of responsibility have been specified in such a way that the state may gradually assume a subsidiary role, allowing the people and intermediary organizations to efficiently and freely perform functions for which state intervention is not needed by, nor appropriate for, the community.

This subsidiary role does not mean, however, that the state is passively contemplating the evolution of events. On the contrary, the subsidiary role of the state is not an end in itself but a means to promote the common good, with the state intervening anytime it feels that a segment of the production sector deviates from the objective of serving this common good. Within this perfectly clear doctrinary concept, the norms which regulate industrial relations become particularly relevant, taken in their broadest sense such as happens with those which link the two important intermediate organizations of the social body--enterprises and labor associations.

It is appropriate to state here that most employers and most representative associations into which they are organized have understood [their duty] and are making a serious effort to avoid violations. The government recognizes and encourages this attitude. The economic revitalization which the country is experiencing, the security and order which prevail, give many Chileans the opportunity to safely develop business initiatives which were not possible under the regime of excessive government interference in labor-management relations that prevailed before, together with anarchy and disorder. Government action favors the social group, so it must be received confidently and optimistically. It must be remembered, however, that its actions must observe existing rules, that it must see through to completion all necessary measures for reestablishment of industrial and human relations, within a framework of coexistence, cooperation and mutual respect between the various respective spheres of competency, always keeping in mind that economic recovery must not blind anyone.

As a counterpart and with [word indistinct] labor discipline implies the understanding of the labor sector not only regarding rights but also duties, obligations and responsibilities. In the same way that the state will watch for the fulfillment of the labor sector's rights, it will also demand a fulfillment of the labor sector's duties.

The concepts of management and labor discipline leading to common well-being take us to a review of the negotiating process. The values of peace and social harmony (?and their implementation) appear today as a clear need. For all [word indistinct] it is necessary to understand that collective labor-management relations must be regarded as negotiations within a framework of shared information, an exchange of points of view toward mutually profitable measures between employers and workers.

Within the old system of collective conflicts, negotiations had very little or no relevance. Any constructive proposal (?awaited) the final moment when the leaders were expected to propose [words indistinct] the employer, in turn, used all his resources to resolve strikes without presenting viable proposals to avoid [words indistinct]. The struggle between workers and employers was fertile ground for political action to [word indistinct] the labor conflict. In fact, each collective conflict was backed by a political sponsorship which frequently used labor pressure for extraunion objectives.

It is therefore very important that the concept of collective negotiation prevail from now on, rather than that of collective conflict. In collective negotiation thus understood, government action to create the channels needed to [word indistinct] becomes respectable and respectful. Within this concept we must keep in mind that strikes in Chile have proved to be very harmful for workers, for enterprises and for the country.

At first sight it might appear that strikes have been important in obtaining improvements in work conditions. This did not happen in Chile, however. The turn of events turned strikes into simple tools of political pressure, going beyond all norms. Whether they were legal or illegal, just or unjust, was not important. As an example, between January 1969 and September 1973 Chile lost over 9,350,000 man-days as a result of 10,800 strikes which affected 2,300,000 workers. All of this imposes on us the unyielding duty of seriously and deeply reflecting on this issue.

The supreme government, I repeat once again, favors collective negotiation, and it will create the legal bodies needed to rule during a first stage of negotiations until the labor code, which will establish permanent norms, is issued. If the economic process allows, collective negotiations will be resumed in the near future. [applause] And this must be aimed at stimulating a direct understanding between businessmen and workers, represented by their union organizations, establishing appropriate means for negotiation, in which the state will have a subsidiary role.

I had the honor during the last 2 years of heading the Chilean delegation to the annual ILO meeting. Some of those present here today saw how I defended the Chilean cause on those occasions. We were witnesses of the wicked way in which the Marxist campaign and its [word indistinct] tried to show during the ILO meetings that Chile and its workers were subject to a totalitarian dictatorship. I ask: Which dictatorship would engage in systematically sponsoring the real and complete freedom of the great masses of the population making the best effort to give everyone an opportunity for a free and independent action? Would it not be contradictory to engage in oppressing and liberating at the same time? The simplest summary of the training task carried out during a year is sufficient to unveil the deceitfulness of our detractors. This encourages us to continue ahead without tardiness or hesitation. The world cannot be eternally blind to the truth. And when our children and the future judge us, we know that our work of today will be acknowledged by those generations because their well-being and freedom constitute the inspiration of all our actions. That is why, despite the foreseeable attacks of Chile's adversaries, the regrettable blindness to which some of our friends were carried, the government will continue ahead with its tireless task of disseminating the truth about our country. In the international labor sphere, this means that it will continue fighting for depoliticization which today [word indistinct] so many events and organizations created and established with specific technical purposes for social improvement which at present are one more (?tribute) to [words indistinct].

When mentioning the development of labor institutions, I wish to energetically express, so that there may be no doubt about it--and the government can verify it--that it will continue implementing all the measures leading to strengthening a strong and truly free unionism. [applause] Those who intend to maintain the opposite are just those who in times past kept union organizations under the domination of political parties. I am sure that no Chilean worker wants to return to that submissive and dependent status. This is also known by the minority which is skillful in agitation and which, with no support from grassroots committees and distorting the national [word indistinct] cry for the help and protection of several foreign groups, without caring at all about the (?destiny) of Chilean workers or the name of their noble fatherland. [applause]

The continued cooperation of the great majority of Chilean workers with the government, which was reasserted on 4 January, is a repudiation of that antifatherland attitude, which should give [the minority] cause for careful consideration.

When reporting on the task carried out and that which we have to develop, we are showing the concern of the supreme government for all Chilean workers.

In this large room where we are meeting today, many important events have taken place during the brief years of our recovered independence. Humbly, but with a firm awareness that today we are also taking an important step, I state my certainty that tomorrow's workers will remember this day, when one stage ended and a new one began; that tomorrow might now be better since all of us, workers, businessmen and government, have contributed our best effort toward it. The sovereign organization which we are giving you would not have been possible without everybody's support. As Chileans, we will continue being united in the face of difficulties with which the future may present us. As Christians, I ask God to give us the strength to overcome them. And as men of work which we all are, I feel sure that there will be no force capable of bending us while we work together toward the greatness of Chile. [applause]

300 ARRESTED FOR BANNED MAY DAY DEMONSTRATION

PY021616Y Santiago Chile Domestic Service in Spanish 1030 GMT 2 May 78 PY

[Text] Santiago--Violent clashes took place yesterday between carabineros and persons who attempted to commemorate 1 May with an unauthorized rally. The clashes resulted in approximately 300 arrests. Among the persons arrested were union leaders Clotario Blest, Ernesto Vogel and (Guillermo Yungest).

Everything started when a group of workers arrived at Almagro Square to commemorate 1 May. The demonstrators were disbanded by carabineros who arrested those who were agitating and shouting: "Freedom, freedom." The carabineros took their prisoners to the 6th, 3d, and 1st police precincts in special police buses.

In the meantime, those who escaped from the police went to the San Francisco church, where they heard speeches by workers priest (Rafael Maroto) and from the leader of a sector of the Chilean Maritime Confederation, Eduardo Rios.

(Maroto) was first to speak. He said: We have been prevented from having our say on this workers day and that is why we come to the house of our Lord. Once more the church is proving its inalienable commitment to the cause of the workers.

Eduardo Rios stated: This meeting inside the church reminds us of the times when Christians were being persecuted and forced to use the catacombs as meeting places. This is Santiago and the year is 1978, however. On 1 May we workers must endure the actions of repressive forces. We are not allowed to commemorate the day of the workers.

Rios went on to say: the delegates of Finland, the Netherlands, Spain, France, Italy, Colombia, the United States, and Costa Rica who accompanied the workers have witnessed the police repression which prevented the workers from meeting freely.

150 Released

PY021805Y Buenos Aires Domestic Service in Spanish 1600 GMT 2 May 78 PY

[Text] Santiago, Chile--Over 300 people were detained during the 1 May rally yesterday, including union leaders and workers. At midnight there were still some 150 people under arrest.

Among those taken to police stations were the old union leader Clotario Blest; the members of a band from Rotterdam, Netherlands; journalist (Maria Elena Ventura); the Latin American correspondent of the U.S. magazine NEWSWEEK, (John Moreau); and his photographer. All of them were quickly released later.

Interior Minister Discusses Demonstration

PY022044Y Santiago Chile Domestic Service in Spanish 1730 GMT 2 May 78 PY

[Text] "Calm, serenity and harmony prevailed throughout the May commemoration," said Interior Minister Sergio Fernandez during the press conference he held this morning with foreign correspondents.

The journalists first asked Minister Fernandez about the exact number of persons arrested during the unauthorized rally held yesterday at Pedro Aguirre Cerda park.

In this regard Minister Fernandez stated: I would like to speak to you about the situation which prevailed here on 1 May. The country's situation was absolutely normal. You must realize that there are 4 million workers in the entire country; even so, calm, serenity and harmony prevailed during the 1 May commemorations. This is the overall situation. The workers commmeorated Labor Day together with government officials by means of ceremonies which had been prepared in advance.

The minister added that this overall calm was broken by a group of workers who, having been invited to the official ceremony at Diego Portales Building, met at the Pedro Aguirre Cerda Park without being authorized to do so. He said: I would like to emphasize that these workers had been invited with their leaders to the Diego Portales ceremony; however, they did not even say whether they would go or not. In spite of not being authorized to do so, they attempted to hold a rally.

The minister went on to say that according to them, the objective of the rally was to give explanations as to why they were not going to attend the official ceremony.

The minister indicated: I believe that this rally served to prove once more the true Chilean situation and how wrong these workers are in their view of Chile's situation. What would the meaning of this rally be if hundreds or even thousands of workers would have met, if we take into account that Santiago has more than 1 million workers?

He said: This rally called by a few sectorial leaders, who did not have government authorization for it, did not have the support of Chilean workers. Chilean workers did not attend this rally. This was proved by the fact that the forces of order acted normally. There was no need to resort to special force or other special measures. You must have seen the kind of weapons the carabineros were carrying. They acted normally, the way any police force does.

The minister added: Those who were agitating were naturally asked to discontinue their activities. The majority preferred to return peacefully to their homes. Those who had persisted in their disorderly conduct were arrested and taken to local police precincts and charged with disorderly conduct in public.

The minister said that the number of persons arrested was barely more than 100 and not everyone arrested was charged because among them were persons who were able to provide an explanation for their presence at the site of the rally.

He indicated that the time of arrest lasted long enough to check places of residence, to book the persons arrested and to summon them to the appropriate court.

The foreign correspondents asked Minister Fernandez whether the attitude of Priest (Rafael Maroto) reflects the position of the Catholic Church. According to press reports, the priest had been in the San Francisco Church during the rally of the workers. In this regard the minister said that the church has a different position. He said: There are, of course, certain isolated elements that do not reflect the position of the church.

The minister was then asked whether the government is seeking a more-or-less controlled union system [sindicalismo dirigido].

He answered: No. The only thing the government wants is a free union system independent of any political group orany government. That is why every important union leader had been invited to the Diego Portales ceremony. I reassert that the government does not want a controlled union system. It does not want an obsequious union system. [words indistinct]

The minister was then asked why, in view of the statement of the "Group of 10" that it represents 70 percent of the workers, the government does not allow union elections to prove that this is wrong. He answered that the statement of the "Group of 10" is absolutely false. It is very easy to speak in terms of percentages regarding the number of workers they represent. But it would suffice to indicate that the number of labor leaders in this group is very small compared with those labor leaders who are not commited to any sector. He added: At the same time, the situation of the unions will become normal in the course of the institutionalization process. There are, however, two ways of achieving this goal: One of them is through union elections and the other is by means of collective labor negotiations. The two ways cannot be implemented at the same time because there may be a conflict of interest. The government has chosen to implement collective labor negotiations first and the other course will be followed in due time.

INTERIOR MINISTER DISCUSSES WIDE RANGE OF TOPICS

FY030312Y Santiago Chile Domestic Service in Spanish 1730 GMT 2 May 78 FY

[Text] In an interview granted to a local newspaper, Interior Minister Sergio Fernandez has stated that the incorporation of (?civilians) into the government reveals a natural evolution of the country as a result of the restoration of order, peace [word indistinct].

In this regard he added that the armed forces have undertaken [illegible] sacrifice during 4 and 1/2 years and that it would be unjust to [illegible] carry on their shoulders the burden of national leadership. But the military cannot. We cannot, however, discuss the armed forces' returning to their barracks because, traditionally, it has been evident that the armed forces give their last efforts to guarantee development, mutual respect and social peace; these are factors which cannot be disregarded.

The minister also noted that he is not a premier as some press reports have mentioned. He insists that he is a member of the cabinet like any other minister and that [illegible] minister pertains to monarchical or parliamentary regimes. He added, [illegible] have a traditional presidential system and there is no need to change it.

Regarding the new institutionality, he said that its goals are the creation of a modern institutional framework rather than a [conventional] constitutional framework. A framework establishing in its juridical norms those characteristics [illegible] has been called a modern and protective democracy.

The minister added that the president explained these characteristics in his speech and also in his letter addressed to the commission studying the new constitution. He added that these stages and conditions remain unchanged [illegible].

(?The minister also added in the interview) that a new era is (?opening) (?starting) for Chile. This would be the result of the normal evolution of the process rather than of the measures which were enforced in the last few months.

He added that the present national situation will make it possible for [illegible] which have been very fruitful to be understood by foreign countries so as [illegible] He noted that the international situation has improved since the adoption of certain measures such as the [words indistinct] the state of seige, [illegible] sentences.

Minister Fernandez added that the Interior and Foreign Relations Ministries [illegible] jointly because their respective decisions affect each other. [illegible] [words indistinct] must be at the information level.

Regarding the conflict with the National Planning Office over unemployment, he noted that the (?emergency) plan is merely a project. He added that it is, for the most part, consistent with the overall economic policy and the objective of a substantial rise in employment rates. He underlined that the existing high unemployment rates are due to the lack of a [illegible] system and to the enforcement of norms which hinder the manner in which the employment mechanism has to operate.

Finally, regarding the Townley case, the minister noted that he believes that [illegible] were supplied with exaggerated reports and that the Townley case got a lot more than a case of this nature deserves. He said that there were many [illegible] that the important thing was that the Chilean government offered all the cooperation to solve the case, thus fulfilling its promise. The minister pointed out the U.S. Government has acknowledged this and this is now a matter [illegible] of U.S. courts.

[illegible] INJURIES

[illegible] Santiago Chile Radio Mineria Network in Spanish 1030 GMT 2 May 78 PY

[Text] Santiago--Five bombs exploded in the metropolitan area yesterday without injuring anybody or causing serious damage. According to a police communique, the persons responsible for these explosions are possibly extremist elements who tried to draw attention away from the Labor Day ceremony held at the Diego Portales Building.

The first explosion, which occurred near the house of industrialist (Carlos Lumbrat) at [illegible] (Holguera) Street, merely broke a few windows. The second explosion, which took place near the entrance to the (Almac) supermarket on [name indistinct] Street and [illegible] Street also broke a few windows. The third explosion hit the residence of navy [illegible] with the same results as the two other ones. The fourth explosion took place near the house of the director of the Industries and Trade [illegible] Pinochet, causing only superficial damages. [fifth bomb not explained]

TWO INJURED AT TRANSPORT MINISTER'S HOME

[illegible] Santiago Chile Radio Mineria Network in Spanish 1030 GMT 3 May 78 PY

[Text] Santiago--Two security officers were wounded yesterday when attempting to deactivate an explosive device which had been found in the house of the manager of Chilean [illegible] Products Company. Another explosive device which had been found in the garden of the Transportation Minister [illegible] was deactivated without too many problems.

BRIEFS

MADRID DECLARATION APPROVED--Through a Foreign Ministry decree published today in the OFFICIAL GAZETTE, the Chilean Government approved the Madrid declaration of justice ministers. This conference was held on 13 September 1970 and was attended by justice ministers from [illegible] American countries and the Philippines. [Santiago Chile Radio Agricultura in Spanish [illegible] GMT 21 Apr 78 PY]

URUGUAYAN AMBASSADOR'S FAREWELL--Uruguayan ambassador to Chile Roberto Gonzalez today paid a farewell courtesy call on President Pinochet. The Uruguayan ambassador thanked the Chilean president for the efforts made to develop a cultural integration program. [Santiago Chile Radio Agricultura in Spanish 0000 GMT 22 Apr 78 PY]

AGREEMENT APPROVED--The basic scientific and technological Chilean-Peruvian agreement signed in December 1977 has been approved by the government. The agreement is aimed at encouraging scientific and technological research between Chile and Peru and achieving closer cooperation for the development of human and material resources between the two countries. [Santiago Chile Domestic Service in Spanish 1730 GMT 22 Apr 78 PY]

TURBAY AYALA, BETANCUR EXPLAIN SOCIOECONOMIC POLICIES

PA302127Y Bogota EL ESPECTADOR in Spanish 20 Apr 78 p 1A, 2A PA

[Carlos Murcia political report]

[Text] Liberal Party presidential candidate Julio Cesar Turbay Ayala outlined last night on a television program his policies in the social and economic fields and said that his term would be noted for austerity in spending and moderation in taxation. It would prevent government funds from falling into the hands of a few powerful individuals.

During the past 12 hours the national television audience has had the opportunity to compare the platforms espoused by Conservative Party candidate Belisario Betancur and by Turbay Ayala when the two presidential candidates gave their opinions over national television.

Taxes

The two candidates analyzed the controversial issue of double taxation, which has become one of the main topics in the campaign. The two disagreed on the methods for administering and eliminating it.

Julio Cesar Turbay promised last night during his second television talk, which dealt mainly with technical economic questions, that he will promote reductions in order to benefit primarily the lower income classes.

He analyzed the tax problem in the following manner:

"I have been told that friends and advisers of the Conservative Party candidate have said that I did not thoroughly understand his proposal for the elimination of double taxation for corporations and that the tax would affect the corporations and not the dividends paid to stockholders.

"After hearing the explanation, the formula seems much worse because, far from resulting in social benefits, it simply serves to stimulate the accumulation of wealth and capital.

"If it is true that 2 percent of all the stockholders control 70 percent of all corporations, and if corporations are exempt from paying taxes, this does not benefit a large number of stockholders but rather the group of stockholders controlling 70 percent of the shares. I say that this is an issue which could divide the two parties. I, for example, propose that income be distributed. All modern tax reforms tend to be democratic and promote the distribution of income. This is fundamental. No one I know has ever thought of using fiscal and tax mechanisms to accelerate the accumulation of wealth. I want to tell the people tonight that it is true that there will be no new taxes during my administration. But it is also true that I am firmly determined to keep the government funds from falling into the hands of a few individuals.

"These funds must be used with a social awareness. They must provide greater benefits. New schools must be opened, medical attention must be given to more Colombians and the 5 million who lack medical care must be incorporated into the health system. If we are to do this we shall need abundant resources. This is why we cannot eliminate the existing sources of revenue. Neither should we think that we can solve these problems with what we save by not putting rugs in government offices, as one of the presidential candidates, Alvaro Valencia Tovar, suggested last night or the night before. I do not intend to solve problems with fanciful methods. New sources of revenue must be found. We must promote production and the creation of jobs."

Job Income

He added: "I will mention specific incentives which I think my government should establish to stimulate production and employment, which are closely related matters. But first, allow me to say that in 1977 the law on income tax incentives provided for certain measures to ease reinvestment of profits. Especially with regard to unanticipated [ocasionales] profits, a dual system has been devised. A corporation can annually adjust by 60 percent its assets based on the price index. This will take care of inflation. The remaining 40 percent of profits also will be exempt from taxes if the taxpayer shows that the amount owed in taxes has been invested in state bonds or in the agricultural industry, manufacturing or mining, under the condition that 30 percent of the shares in these companies belong to persons who individually do not control over 20 percent of the shares. This incentive also applies to job income. Income can be readjusted every year by 60 percent. With regard to job income, I think that in my government this readjustment can be raised to 100 percent, so that income is not taxed twice by having to pay an income tax as well as increased taxes through inflation costs. Naturally, a limit must be established so that middle-level groups, not the upper classes, benefit from it."

Corporations

Further on Turbay said: "I specifically consider the corporation to be the means for implementing a policy of industrial democratization, a basic means to allow more people to participate in the economy. Under no circumstance should we stop granting incentives to corporations."

He also said that "the Liberal Party has been cautious regarding monetary policy; it does not advocate prosperity based on credit and it does not undertake tasks it cannot fulfill. Its finance ministers and economic leaders are noted for their frugality."

Decentralization

He talked about the subject of decentralization. He believes that many problems result from the way a development plan is presented. "In my opinion," he said, "the plan should begin with this premise: The needs of different regions of the country must be identified and extensively discussed so that when a plan is submitted to Congress it is already the product of broad democratic participation in which regional and group interests have been taken into consideration."

Production Incentives

Finally he said that the most satisfactory way of redistributing income is through production and the best reply to inflation is to increase production. "It is my opinion," Turbay said, "that these are serious and meritorious policies which are not simply campaign promises."

Betancur's Views

On the other hand, candidate Belisario Betancur analyzed the income tax issue during his most recent television appearance in the following manner: "One gathers from Turbay's previous appearance on television that two unmistakeable positions have been taken. Turbay Ayala says that he will impose new taxes. [sentence as published] I say there is no need for new taxes. Why is there no need for new taxes? Because if we can honestly collect the taxes, we ought to be able to do an efficient job. For example, we could employ certified public tax collectors, who of course should work for the state and should be under the jurisdiction, examination, control and approval of the state.

"Until this happens, collection cannot be effective. The taxpayer will know for sure how much he has to pay and the state will also know how much it is going to receive. Currently the amount owed the government which has not been collected because of the pending 250,000 claims or because people are unable to pay reaches 37 billion pesos, which is equivalent to half of the amount collected in taxes. There is an answer to my question about no new taxes. We must collect those outstanding taxes. This has to be done honestly. We have to be implacable in the face of dishonesty wherever we find it, particularly in matters related to taxes. However, we should also be capable of injecting a dynamic thrust to public administration so that public employees have nothing to fear. Because contrary to Turbay's threat to end job parity, I guarantee the stability of the government administration. Then, if the administration works at full speed and we can manage the national government and decentralized institutes' budgets, which this year amount to 150 billion pesos and last year was 115 billion pesos, and we are capable of managing 150 billion pesos with the same administration that we managed 115 billion pesos, we would have a balance of 35 billion pesos to improve that administration and to invest in schools, water supply plants, sewage systems, hospitals and public roads.

"Every income policy ought to be above all an encouragement to production and the result of a determination of the taxpayer's capacity to pay his taxes, in effect to prevent him from trying to evade paying taxes. Every income tax policy ought to be a mechanism for redistributing income so that what is collected is redistributed through the nation's budget, as I said before, for schools, water supply plants, sewage systems, hospitals and public roads. It has been proven that double taxation which consists of taxing the company's profits and the shareholders' dividends greatly discouraged production. I suggest that this double taxation be abolished, and I am sure that once the 1.2 million shareholders in Colombia--the widows, the small businessmen, the workers who invest their savings in shares--are relieved of paying double taxes, they will buy more shares from companies which will grow and increase production, and this naturally will create more jobs and the state will have more revenue without raising taxes. I say no new taxes, while Turbay says let us have more. There you have a clear, a very distinct difference between what Turbay is proposing and what I am proposing to Colombians."

Guarantees for Turbay

Candidate Betancur reiterated his proposal to create an electoral vigilance commission and to appoint municipal registrars from political groups other than those that have a majority in a specific precinct.

He sarcastically asked the government to give Turbay Ayala more guarantees. Betancur said: "I have been told that Turbayist circles are saying that my national candidacy is tantamount to promoting fraud. This is progress--an explanation for a defeat they see coming. I do not want, I will not accept one vote which is not absolutely clean. I will not accept one vote that comes from a machine. I do not want anything which is bought. Much less do I want votes like those obtained at the home for the elderly in Mompos during the 26 February elections. According to what Jose Francisco Socarras, a great author and liberal professional, says in EL TIEMPO, the elderly and the ill at the home for the elderly in Mompos, were forced during the 26 February elections to vote for Turbayism or else they had to leave the home and the hospital. This charge has not been denied.

"Colombia does not want to return to those times. Colombia rejects sectarianism. I insist that the authorities surround Turbay with all sorts of guarantees so that there is not the least objection to the victory of the national candidacy of which I have the honor of representing."

The Union in Progress

Meanwhile, the Liberal Party yesterday continued its consolidation throughout the country as a result of new agreements reached at the regional level by directors and congressmen. In Bolivar Department, Congressmen Miguel Faccio, Jose Vicente Mogollon and Marun Gossain signed an agreement and established plans for a campaign in support of Turbay Ayala's presidential candidacy.

An agreement was reached the night before last in Quindio Department by congressmen, deputies, councilmen and important leaders of all liberal sectors. The unity, almost without precedent in this department where the party has been divided, was reached in support of Turbay's candidacy.

A Liberal Party delegation from Quindio Department will go to Bogota to give Turbay a document containing the declaration of unity which is signed by Ancizar Lopez, Ramon Buitrago Herrera, Raul Mejia Calderon, Pedro Nel Barrera Marin, Hugo Tavares Sanchez, Horacio Munoz Echeverri, Jaime Peralta Figueroa, Guillermo Jaramillo Palacios, Luis Alfonso Garcia Munoz, Manuel Cardona Sanchez, Alberto Mario Cardona, Marconi Sanchez Valencia, Jesus Antonio Nino Diaz and 120 councilmen elected on 26 February.

Candidate Julio Cesar Turbay, speaking to a delegation of Liberal Llerist and Turbayist youths, stressed the climate of unity which is prevailing throughout the country. He expressed confidence that the party will reaffirm on 4 June that it has a majority in the nation. The meeting which Turbay presided over opened at 1800 at the Colombian democratic association.

The union of Llerist and Turbayist committees which worked during the 26 February elections campaign was witnessed by 300 leaders in Quiroga District. Ernesto Lucena Quevedo, Liberal party secretary; Antonio Bustos Esguerra, the campaign headquarters secretary in Bogota and Senator Alicia Cuervo de Barrera were present at this meeting.

The Leaders' Declaration

Finally, leaders from Bogota's north side led by representative Ricardo Baquero yesterday issued a declaration establishing their position with regard to the meeting of Llerist congressmen to be held today beginning at 1500 at the Economic Society of Friends of the Country headquarters.

The leaders support the attitude of the congressmen who decided not to take part in the campaign until certain program requirements are met in the party's reunification process. Meanwhile they have authorized party leaders to represent them in the party reunification talks and urged them to advance beyond the simple aspects of party mechanics. The leaders have expressed their displeasure at the manner in which the candidate treats the Llerist sector, disregarding its presence and using the system of individual agreements to ignore the ideas which this political sector defended during the past campaign.

GOVERNMENT PLANS BUDGET CUTS TO PAY WAGE INCREASES

PA011734Y Bogota EL TIEMPO in Spanish 22 Apr 78 pp 1A, 5C PA

[Fernando Barrero article]

[Excerpt] The government has planned a drastic cut in its operational expenditures in order to insure the payment of wage increases and benefits promised to 600,000 government employees.

This operational budget cut goes to such extremes that henceforth no government employee at the national level will be paid his vacation in cash.

The decision to reduce spending involves measures such as:

--A freeze on filling vacant positions;

--Reduction of expenditures for personal services;

--Reduction of expenditures for publications;

--Reduction of travel allowances, travel fares and expense accounts.

The scope of the official measures was explained by acting Finance Minister Guillermo Mojica, who said that decisions of this type had to be made in order to guarantee the existence of the 7 billion pesos needed to pay for the wage increases.

Mojica said that the government has only one-half of this sum (3.5 billion pesos) available. The rest will be obtained by means of the aforementioned budget cuts and a reappraisal of the tax collecting system, particularly as applied to sales and customs.

ANALDEX PRESIDENT REFUTES U.S. AMBASSADOR'S STATEMENTS

PA2712017 Bogota Radio Santa Fe in Spanish 2330 GMT 25 Apr 78 PA

[Text] Bogota--National economic organizations have categorically rejected the statements of the U.S. ambassador to Colombia, who described the system of preferences granted by his country for certain products of the developing world as a gift.

Alfonso Rojas, president of the National Exporters Association [ANALDEX], noted that he disagrees with the ambassador's statements describing the system of general preferences as a gift the United States grants without receiving anything in return. Rojas made the following statements to this station:

[begin Rojas recording] I fully respect the U.S. ambassador's opinion regarding the system of general preferences, which he described as a gift to the developing countries, but I cannot share it because I do not consider the preferences to be completely cost free. In reality, the preferences are concessions which greatly benefit some of our exports to the United States through a reduction in customs tariffs.

I would like to add with due respect that in certain instances, especially in some cases in which we want to use the general preferences system and begin using it with a certain degree of success, the United States then imposes compensatory measures of some kind on our exports.

Therefore, I would have to say that we have not been given anything freely. The preferences are welcome measures which, I admit, our exporters have not taken full advantage of. I would also like to note that these measures were suspended in some instances where results were forthcoming, specifically regarding products which we were beginning to export successfully. [end recording]

RADICAL LIBERAL PARTY SEEKS REINSTATEMENT

Appeal to Electoral Tribunal

PA301506Y Quito La Voz de los Andes in Spanish 1730 GMT 29 Apr 78 PA

[Text] Radical Liberal Party directors and advisers held a private meeting to decide on the action to be taken following the disqualification of the party's candidates for the presidency and vice presidency of the republic. Daniel Alvarez Tenorio, the party's acting director, commented in this respect:

[begin Alvarez Tenorio recording] The party's national directorate unanimously decided today at a meeting attended by all its members to continue supporting the party's candidates, Francisco Huerta Montalvo and Blasco Pena Herrera. It also agreed to appeal to the Supreme Electoral fraud [as heard] Tribunal to revoke its decision. At about 1600 this afternoon a party delegation went to the electoral tribunal to deliver the appeal which was drafted after a careful analysis of the situation by a group of distinguished Ecuadorean and [Radical] Liberal Party lawyers. We hope that justice will prevail over politics on this occasion.

[Question] Rumors have been circulating in the past few hours that political leaders and leaders from various other sectors have formed a committee in charge of organizing the National Democratic Front which will promote Raul Clemente Huerta's presidential candidacy. What do you have to say about this?

[Answer] The only political organization which can withdraw its support from Francisco Huerto Montalvo is the Liberal Party. Some people who have been criticizing the party just do not have the moral authority to impose a candidate on us. The Liberal Party is a respectable party and, therefore, has the capacity to choose the man who will represent it. Francisco Huerta Montalvo's candidacy was unanimously supported today by the party's national directorate, which is proof of the party's unity. Those who are promoting division within the party are precisely those who are not even members of the party and whose sole objective is to harm the party.

[Question] Political circles in this capital are saying that the plan for constitutional reorganization of the country has suffered a serious crisis, particularly when Sixto Duran Ballen, Constitutionalist National Front presidential candidate, announced the possibility of withdrawing from the electoral campaign. What can you say about the political situation at this moment?

[Answer] It is obvious that we are experiencing real confusion and that there is a conspiracy against some political sectors in favor of a particular candidate. But the report about a possible withdrawal from the electoral campaign by Sixto Duran Ballen, who has announced his withdrawal if the action taken against the Liberal Party candidate is not revoked, makes us think that maybe he has realized that it is preferable to allow the participation of groups which really represent large sectors of the population and to participate in a clean political campaign, leaving it to the Ecuadorean people to decide who will govern them. [end recording]

Appeal to Supreme Court

PA011937Y Quito La Voz de los Andes in Spanish 1730 GMT 1 May 78 PA

[Text] The Radical Liberal Party has appealed to the Supreme Court in accordance with existing legal provisions. The party was affected last week by the disqualification of its presidential and vice presidential candidates before being recognized as a political party. The Supreme Court must give its verdict within 6 days. If it does not, the appeal will be considered accepted and the electoral tribunal must register the Huerta Montalvo-Pena Herrera slate.

The acting national director of the party, Daniel Alvarez Tenorio, reminded the electoral tribunal that disqualification of the party's candidates did not follow the law. The party should first have been given legal recognition and then its candidates examined. But the tribunal worked in reverse fashion, first examining the presidential slate and then disqualifying it. This action led to the resignation first of tribunal President Benjamin Carrion and last week of alternate Liberal representative Atahualpa Martinez Rosero. Today's press published the text of Martinez' resignation letter.

TWO MORE PARTIES DISQUALIFIED BY SUPREME ELECTORAL TRIBUNAL

PA292359Y Quito Cadena del Triunfo in Spanish 1255 GMT 29 Apr 78 PA

[Excerpts] The Supreme Electoral Tribunal has disqualified two other parties, and decisions on three new parties which submitted their registration for the first time as political organizations are pending.

Osvaldo Hurtado Larrea, Christian Democratic Party vice presidential candidate, last night disclosed on a television program that he has been informed that probably four other presidential candidates will be disqualified on technical grounds. According to Hurtado Larrea, that will leave only three candidates who have the government's approval. They are: Sixto Duran Ballen, supported by a seven-party center-right coalition; Rodrigo Borjas Ceballos, representing the Democratic Left; Raul Clemente Huerta, who might replace his nephew Francisco Huerta Montalvo, for the [Radical] Liberal Party.

ELECTORAL TRIBUNAL PRESIDENT REJECTS CHARGES OF FAVORITISM

PA292254Y Quito Cadena del Triunfo in Spanish 1255 GMT 28 Apr 78 PA

[Excerpts] The process of restoring democracy in Ecuador, which has been plagued by surprises, suffered another blow with the electoral tribunal's veto of the presidential candidacy of 38-year-old Francisco Huerta Montalvo.

The tribunal's attitude was considered to be one of promoting a fictitious democracy similar to the ones existing in Brazil and Uruguay, where only groups and candidates receiving approval of dictatorships can participate in elections. This statement was made by Julio Cesar Trujillo, president of Popular Democracy and another candidate rejected by the government.

[begin Trujillo recording] This seems to be the intention of the dictatorship, that is, to give Ecuadoreans a fictitious democracy instead of a real one.

However, I believe that citizens and political parties have the duty to fight with all their strength and honesty to keep this from happening and to see that Ecuador attains a true and authentic democracy. [end recording]

The charge of fictitious democracy was rejected by electoral tribunal President Jose Baquero de la Calle. [begin unidentified reporter recording] [Question] The disqualification of Francisco Huertas' candidacy and the rejection by the tribunal's Technical Department of movements aspiring to form a party have led some political leaders to believe that we are trying to create a fictitious democracy here in Ecuador in which only those favored by the military government can participate as candidates. What is your opinion on this matter?

[Baquero] I believe that this is far from the truth. As far as the Supreme Electoral Tribunal is concerned, I must inform you that all the resolutions are and will be thoroughly considered. This is why I insisted this morning that you see the text of the report presented by the juridical commission which was approved by the tribunal. Resolutions on the acceptance or rejection of registration requests made by the existing parties have already been made and the parties will be informed accordingly.

[Question] Do you not think that this will be considered an attack on the [Radical] Liberal Party?

[Answer] I do not see why. The Liberal Party asked for this; we did not push it.

[Question] If Huerta's candidacy is rejected, can the Liberal Party register another ticket?

[Answer] It has every right to do so.

[Question] The president of the Federation of Ecuadorean University Students, according to press reports, has accused you, the acting tribunal president, of being a former CIA agent. He says that they will present documents to prove it. Furthermore, he says this is detrimental to the electoral process.

[Answer] My dear friend, some years ago, a book, which I have not read, was written by a former CIA agent who resigned or was forced to resign from the CIA and became a fugitive. This gentleman published a book in which my name appears as a CIA agent. I never took this seriously because the accusation is completely absurd. Of the little I read of the book, I observed a number of lies and distortions which are not even worth mentioning. However, when a correspondent of the magazine [word indistinct] asked me about this I emphatically said that I had nothing to say on the matter because it was completely false. [end recording]

BRIEFS

CEPE SALES TO NATIONALIST CHINA--The Ecuadorean State Petroleum Corporation [CEPE] has agreed to sell crude oil to Nationalist China. Although sales for the present year have not been established as yet, for 1979 approximately 10,000 barrels per day will be sold to Taiwan. This is the first CEPE sales contract with prices that benefit the country. [Quito La Voz de los Andes in Spanish 1730 GMT 27 Apr 78 PA]

GOVERNMENT ISSUES NEW INDUSTRY LAW, APPOINTS OFFICIALS

PA291649Y Buenos Aires LATIN in Spanish 0308 GMT 29 Apr 78 PA

[Text] Lima, 28 Apr (LATIN)--The military government has approved the new industry law which decentralizes the functions of some public sectors. It also established "secretariats of state" for the first time.

The Peruvian State Mineral Marketing Company (MINPECO) will be under the Energy and Mines Ministry and the Public Enterprise for the Marketing of Fishmeal and Fish Oil (EPCHAP) will be under the Fisheries Ministry. These public enterprises were previously under the Industry, Commerce, Tourism and Integration Ministry headed by Gen Gaston Ibanez O'Brien.

During a new conference today Ibanez O'Brien said that this measure is the first phase of the public administration reform. He said that the secretaries of state "have a political-administrative level equivalent to a vice minister."

The new secretaries are Jorge Licetti Conicia (commerce), Carlos Maza Rodriguez (industry), Luis Palomino (commerce) [as received] and Enriqu Koch Schammel (tourism). (?They were sworn in) by General Ibanez, thus becoming civilians with high posts in the military government.

The decentralization of the administrative functions began in December when the government united the Industry and Tourism Ministry and the Commerce and Integration Ministry into a single ministry.

BELAUNDE CALLS FOR 'TOTAL' RETURN TO CIVILIAN GOVERNMENT

PA011404Y Buenos Aires LATIN in Spanish 2228 GMT 30 Apr 78 PA

[Text] Lima, 29 Apr (LATIN)--Former President Fernando Belaunde Terry has demanded that the armed forces return power to civilians "totally," just as "they took power totally" a decade ago. Belaunde, who returned to Lima from Washington last night, added that the military government must "immediately" convoke general elections and elections for a constitutent assembly.

He said that with the withdrawal of the Popular Action [AP]--the political party which he founded in 1956 and which is considered the second most important party in the country--from the elections, "we will have no responsibilities in the coming elections nor will we share responsibility for a piecemeal return of power."

"The armed forces took power totally; they should also return power totally," Belaunde emphasized in a news conference at Jorge Chavez International Airpot. The former president, who was overthrown in October 1968 by the late Gen Juan Velasco Alvarado, said that he will reside in Peru permanently. He had served as a university professor in the United States for several years.

Belaunde said that AP will leave its members--who comprise a large percentage of the country's 5 million electors--completely free to vote in the coming elections. However, Javier Alva Orlandini, AP secretary general, reiterated an appeal for the members of the party to cast a blank or invalid vote. Belaunde said that in May he will preside over a total of 10 rallies in various interior provinces and that his party will continue to be intensely active in the period preceding the elections scheduled for 4 June in spite of the fact that it has decided not to nominate candidates.

PCV CANDIDATE URGES SOCIAL COMMUNICATIONS COUNCIL

PA030227Y Caracas EL UNIVERSAL in Spanish 23 Apr 78 pp 1, 20 PA

[Excerpts] The Venezuelan Communist Party [PCV] presidential candidate and president of the National Newsmen Association [CNP], Hector Mujica, has proposed the creation of a social communications national council with the participation of the private sector, the state and professional organizations.

Mujica says that this organization would regulate, strengthen and plan the country's communications policy "and could even expand democratization of the news media."

Hector Mujica yesterday visited the CNP offices at the invitation of the press directors who have invited all national presidential candidates in order to ascertain the main points of their respective government programs, especially programs dealing with the improvement of the country's social communications systems and the protection of its professionals. Hector Mujica was accompanied by other PCV and CNP leaders.

The PCV candidate mentioned the dependency of the nation's social communications system. Regarding international matters, he said: "If we do not regulate the transnational news agencies and the cultural industry which supplies us with the elements we use in our media, we run the risk of becoming more dependent each day on other countries and U.S. imperialism."

He also said that "the new communications policy must guarantee the optimum use of our resources available for production, dissemination and conservation of the contents of communications, that is to say the words. This communications policy must define the responsibility of the public and private sectors and professional organizations in matters of social communications."

Further on he said he had arrived at the conclusion that for a country like ours the ideal would be to establish a truly mixed system. "Therefore we are of the opinion that the state operation of the media is not the most advisable course."

The system must allow participation by the three sectors involved in the communications system: the state and private sectors and the professionals who write the words and who until now have not been allowed to participate in this communications policy. "Those who write the newspapers and the radio and television newscasts, that is, the professionals, do not participate in the information policies." In this respect he referred to the "RATELVE" project (drafted for the radio, television, film and similar industries in Venezuela).

ARMY TROOPS DISMANTLE TWO GUERRILLA HIDEOUTS

PA022231Y Caracas Radio Continente Network in Spanish 1000 GMT 2 May 78 PA

[Text] Army troops have dismantled two guerrilla hideouts. The operation was carried out in a mountainous region between the towns of Nuevo Mundo and Viento Fresco in Anzoategui State. According to reports, the tunnels were more than 10 meters long. Packages of cotton, medicines and large quantities of gauze were found inside the tunnels.

The hideouts are similar to those found on 5 July 1977 near the towns of Santa Rosa and San Mateo also in the State of Anzoategui. It was also reported that no arrests were made.

ROEL COMMENTS ON PRESIDENT'S TRIP TO MOSCOW

FL022126Y Mexico City INFORMEX in Spanish to ANSA Buenos Aires 2102 GMT 2 May 78 FL

[Text] Mexico City, 2 May (ANSA-INFORMEX)--If Soviet leader Leonid Brezhnev signs protocol No 2 "for the total denuclearization of Latin America," it would "justify" President Jose Lopez-Portillo's presence in Moscow, stated Mexican Foreign Secretary Santiago Roel at an impromptu press conference. Roel stated that Brezhnev's statement to the young communists that he is "very seriously" considering signing that protocol was achieved thanks to the Mexican president's diplomacy.

In regard to Lopez-Portillo's upcoming visit to the USSR, the official confirmed that they will discuss trade, science and technology, petroleum, energy, agriculture and livestock, "and other topics."

Roel also confirmed that North American Secretary of State Cyrus Vance will be in Mexico on 4 and 5 May and that during his stay they will touch on economic, political and social topics and will "probably" renew the Mexican-North American extradition treaty.

PRESIDENT REAFFIRMS DECISION ON DOMESTIC USE OF GAS

PA302331Y Madrid EFE in Spanish 2120 GMT 30 Apr 78 PA

[Excerpt] Mexico City, 30 Apr (EFE)--It was reported here today, just a few days before the U.S. secretary of state's visit, that President Jose Lopez-Portillo has reaffirmed his decision to use Mexican natural gas for domestic consumption. Lopez-Portillo's statements in the northern city of Durango were interpreted as a reaffirmation that Mexico does not intend to sell natural gas to the United States.

High government officials, however, said recently that Mexico is expecting that talks on the purchase of gas will be renewed soon.

In his speech in Durango, 900 km from here, Lopez-Portillo said, "we have adopted the decision to use the gas in our country so as to speed up development."

Lopez-Portillo made these statements at a time when preparations are being made for U.S. Secretary of State Cyrus Vance's visit. He will arrive on Wednesday evening.

It is believed that the sale of natural gas will be the main point in the agenda of the talks between the U.S. secretary of state and Mexican leaders.

PEMEX DIRECTOR ON GROWTH OF OIL PRODUCTION

PA021215Y Mexico City International Service in Spanish 0300 GMT 2 May 78 PA

[Excerpt] In a speech to the national leaders of the union of petroleum workers of Mexico, Jorge (Miguel) Serrano, general director of Mexican Petroleum [PEMEX], has announced that production has already reached 1.2 million barrels of crude a day. He added that the sale of the surplus will change the country's status as a poor nation in a short period of time.

He said that Mexico will not become a member of OPEC because thus far our products receive a better price than those of OPEC.

Regarding the possibility of selling gas to the United States, the PEMEX director revealed that for the time being there are no negotiations in this regard. He said that the Mexican Government is not concerned about this.

BETHANCOURT EXPLAINS TREATIES TO FOREIGN MINISTRY PERSONNEL

PA021850Y Panama City Circuito RPC Television in Spanish 1800 GMT 2 May 78 PA

[Text] Foreign Minister Nicolas Gonzalez-Revilla and Dr Romulo Escobar Bethancourt, head of the negotiating team and adviser to the Panamanian chief of government, met this morning with Foreign Ministry officials to inform them of the process of negotiations with the United States and the results of the Torrijos-Carter treaties.

The main purpose of this meeting was to clarify any doubt that may still exist regarding relations between our country and the United States over the Canal Zone. During the meeting, Dr Escobar said that the government had never thought about a new plebiscite since it is unnecessary. Such a plebiscite would only please those who are opposed to the treaties and are trying to obtain political participation through their opposition after having done nothing for 10 years.

The following persons were among those who attended the meeting: Dr Jorge Aparicio, director of the nonalined countries study office [director de la oficina de estudios de los paises no alineados]; Mrs Analida Lopez, an assistant to the minister; Dr Juan Manuel (Casturovich), Foreign Ministry political coordinator; Mr Baltazar Aizpurua, Foreign Ministry political and information affairs adviser; and George Fisher, personnel director.

Comments on Reactivating Parties

PA030136Y Panama City Televisora Nacional in Spanish 2315 GMT 2 May 78 PA

[Text] Dr Romulo Escobar Bethancourt said today that when political parties are reactivated in Panama, the party of the revolution may be also created. He spoke at the first Foreign Ministry political training seminar held in the ministry's yellow room and discussed the possible organization of the party of the revolution.

The seminar was presided over by Minister Gonzalez-Revilla, who announced the creation of an office to deal with matters related to ministry personnel. This office will be headed by Jorge Fisher, a former official of the Panamanian Embassy in Washington.

U.S., PANAMANIAN AMBASSADORS PRAISED FOR TREATY WORK

PA282048Y Panama City Circuito RPC Television in Spanish 2300 GMT 24 Apr 78 PA

[Unattributed commentary: "Stars in the Shadows"]

[Text] Throughout the long and difficult process of negotiating the Panama Canal treaties there have been men who, because they were on the front lines of one side or the other, were outstanding in their efforts to reach agreements that would satisfy the interests of the two nations. On this list are General Torrijos, President Lakas, President Carter, Panamanian negotiators Escobar, Bethancourt and Royo, U.S. negotiators Bunker and Linowitz, U.S. Senators Byrd, Church and Sarbanes and Panamanian Foreign Minister Gonzalez-Revilla.

Other Panamanian citizens also deserve recognition for their work. Among them are Dr Carlos Alfredo Lopez Guevara and Dr Diogenes de la Rosa, who gave their best efforts to insure that the treaties were prepared in clear and precise language which would not leave room for dubious interpretations, one of the most delicate aspects of this type of activity.

However, we would now like to point out the activities of two persons who, because of their posts, played an essential role in the two countries' achievements, one on each side of the complex diplomatic exchange. We refer to U.S. Ambassador to Panama William Jorden and Panamanian Ambassador to the United States Gabriel Lewis Galindo. Their actions were not noticeable until just before the end of the negotiating process, but long before this they were present with their complete attentiveness, strength of character, patriotism, magnanimity and intelligence, giving all they could to achieve the agreements of which we can all feel proud today.

Before he was appointed ambassador to Panama, while serving on the White House security council in 1972, William Jorden had the conviction, and so informed his government, that there was a pressing need to do justice to Panama.

When the negotiations were about to be broken in 1977 this same man extended the bridge of understanding and intelligence, avoiding the collapse of the complicated thing. And it was this same man who knew how to assess, with patience and understanding, the reactions of a people tired of having had to bear a heavy burden for more than three quarters of a century; who went to the point of disregarding physical attacks on the U.S. Embassy building in Panama; and who managed, along with Gabriel Lewis Galindo, to make the United States realize that the Deconcini reservation--which made us automatically forget Bunau-Varilla--was totally unacceptable to Panamanians.

William Jorden has always served the highest interests of his country with unquestionable patriotism but his clear perception of the truth allowed him to locate himself in the fully finding that difficult middle road between the interests of his fatherland and those of Panama. That is why his understanding attitude was always on a par with his firm determination not to yield a single step when in his opinion U.S. interests, which he represented, so demanded.

Regarding the task carried out by our Ambassador Lewis Galindo, we all know that he lent his services to the process at an early stage in the negotiations. The negotiations were held in his home on Contadora Island. He officially joined the negotiations when he flew to Washington in March 1977 as the Panamanian Ambassador to that northern nation. A mere 3 days after Galindo presented his credentials he was issued with pointing out the need for negotiation concerning the draft of the neutrality treaty proposed by the United States. He did this at a time when both President Carter and the U.S. secretary of state were abroad, which prevented the negotiators from clarifying this point. Thanks to the tireless efforts of Ambassador Lewis Galindo at a meeting with Clifford Alexander U.S. secretary of the army, the negotiations were resumed, and in the difficult moments in the negotiations it was Lewis Galindo who, along with Jorden, always served as a pillar, as a bridge, until the dialog flowed once more.

The high point of Ambassador Lewis Galindo's diplomatic task of combined firmness and calmness came when the ruinous DeConcini amendment presented itself. Following instructions from Panama and keeping in constant communication with the government, Lewis Galindo maintained the Panamanian line of termination [de terminacion] in spite of the inquiry of some and intense pressure from U.S. officials who wanted us to swallow this pill which was as large as a millstone.

Our Ambassador Lewis Galindo was the recipient of offensive demonstrations against what some persons regarded as intransigence but what in reality was nothing but the firm defense of Panamanian interests. And in this way, on Sunday, 16 April, Panama and the United States accepted the fifth draft of the anti-intervention amendment.

...Ambassador Lewis Galindo began to be mentioned in the Senate, the ... U.S. press as a noble and outstanding person, and when he informed the ... by the Senate to ratify, that things were accepting the treaties, ... showing his mood, that also, you're quite a man.

... to publicly recognize the laurels accomplished by Ambassadors Jorden and Lewis ... on our part, we have their loyal amity and the circumstances that ... facilitate praises for their accomplishments. We would ... endeavor to reflect, at least in part, the gratitude which the two nations ... and will undoubtedly be making a place in history for them at the high level they ...

... FOREIGN MINISTER

... [Text] Panama City [illegible] 2000 GMT 3 May 78 PA

... Foreign Minister Aristides Royo received the leader of the Front for the ... Saguia el Hamra and Rio de Oro, commonly known as the POLISARIO Front. ... [illegible] delegation which is on a special visit ... to express its solidarity with the Saharawi people.

... Saguia el Hamra and Rio de Oro, which is a name that the Spaniards gave ... to express [illegible], is a large desert area in northern Africa located ... [illegible] and Mauritania. When Spain left the African colony in 1976, the ... [illegible] to the north and Mauritania to the south. Since that ... [illegible] Secretary of the POLISARIO Front explained, the Saharan Democratic Arab ... [illegible] the Saharawi people in an armed front to fight against its aggressors ...

... [illegible] Secretary explained that the proclaimed republic ... [illegible] goal of the Saharawi people for which much blood has ... [illegible] the Saharawi people's right to self-determination cannot be achieved outside ... [illegible] of sovereignty and independence.

... [illegible] the cause of a free but courageous people, and the justice of our ... [illegible] is certain that we are determined to fight for it, will insure success. The ... [illegible] Front were received in the reception room for Foreign Ministry ...

... [illegible] PA

... [illegible] [Text] [illegible] 1 May 78 pp 12, 24 PA

... [illegible] Chamber of Construction on 28 April 1978]

... [illegible] of the illegal and presumptuous paralyzation of construction projects ... [illegible] by the labor union known by the acronym SUNTRACTS [Sindicato ... [illegible] Similares] in Chiriqui, Colon and ... [illegible], the Panamanian Chamber of Construction [CAPAC] deems it necessary to ...

... [illegible] of the economic crisis affecting the construction industry, the CAPAC has been ... [illegible] to be continuously prompted with the threat of strikes and illegal stoppages, ... [illegible] to construction projects, for further wage increases without ... [illegible] the wage increases already made, but economic problems of the companies and ...

2. On 31 March 1978, the CAPAC negotiated with the union an increase of the minimum conventional wage for all the workers of the various districts of Panama Province included in the joint convention. The increase amounts to B.0.05 an hour as of 1 April 1978 and an additional increase of B.0.05 an hour beginning 1 March 1979.

At the present time, the legal minimum wage for construction work in those districts is B.0.7 an hour. However, the companies which are members of CAPAC have increased wages as much as B.0.09 an hour for manual laborers, B.1.00 for apprentices and B.1.30 for skilled workers.

3. The minimum wage for construction workers in the affected areas in Chiriqui is B.1.040 an hour. However, the construction companies which are members of CAPAC are paying manual laborers a minimum wage of B.0.052 an hour and greater and more favorable wages to the rest of the workers according to their occupation.

4. The union in question, intentionally violating the dispositions of Law 95 of 1976 and the rulings of the courts of law, has presented to the companies working on state hydroelectric projects in Chiriqui petitions for wage increases which tend to greatly increase the cost of these projects and tend to cause the insolvency and bankruptcy of the companies operating there. The requested wage increases also unfavorably affect the economic balance of the area in addition to endangering the conclusion of the projects because of a lack of allocated and available funds. The petitions involve the negotiation of a collective contract, which is expressly prohibited by law temporarily.

5. Although the Ministry of Labor is considering a lawsuit filed for these demands by the aforementioned union and although the Supreme Court is hearing several cases involving constitutional guarantees, the union, taking upon itself the duties of the state, has decreed the closing of these enterprises in violation of the legal norms which stipulate the rights of employers and which regulate strike procedures.

6. These work stoppages, both in Chiriqui and Panama, are openly illegal, provocative and malicious since the CAPAC has never refused to hold dialogs in a respectful manner with the labor unions and has always listened to their demands with justice, equity and understanding.

7. The CAPAC, representing all of its member companies, desires to voice its most vigorous protest against this type of uncontrolled activity which is being carried out and which seriously harms the construction industry and the companies trying to emerge from the crisis in which they find themselves for the purpose of reducing unemployment and achieving the nation's economic recovery.

8. In conclusion, the CAPAC vigorously appeals to the administrative and legal authorities of the republic to take whatever measures are deemed necessary to guarantee these companies the free exercise of their economic activities, respect for legality and whatever decisions are made and assurances for the personal security of managerial personnel and protection of their property.

The CAPAC and its member companies denounce all acts of violence executed by orders of this union's leaders and announce that it will resort to whatever is necessary within the law to restore normal activities.

[signed] Panamanian Chamber of Construction

[dated] Panama, 28 April 1978

Construction Work Stoppages Suspended

PA030419Y Panama City Circuito RPC Television in Spanish 0300 GMT 3 May 78 PA

[Labor and Social Welfare Ministry communique released on 2 May 1978]

[Text] Regarding the paralyzation of activities in various construction firms in Chiriqui, Panama and Colon of which the citizenry is aware and interested, the Labor and Social Welfare Ministry announces the following:

1. After lengthy talks which began before the cessation of activities, SUNTRACTS [Sindicato Unico Nacional de Trabajadores de la Construccion y Similares] has agreed to suspend the paralyzation of activities which affects construction firms in the provinces of Chiriqui, Panama and Colon.

2. The activities in the aforementioned enterprises will be renewed tomorrow, 3 May 1978.

RESURGENCE IN CONSTRUCTION INDUSTRY SEEN

PA281724Y Panama City STAR AND HERALD in English 28 Apr 78 pp 1, 7 PA

[Text] Concrete and significant indications of a resurgence in Panama's construction industry, following a prolonged recession, was evident with the disclosure that projects involving an investment of B/. [balboas] 49 million are now under way or planned over the next 12 months.

A study made public by the Ministry of Planning and Political Economy revealed that steps preparatory for increased construction was noted based on building permits issued during the first three months of the year.

The permits covered investments totaling B/.8.6 million, which represents an increase of 26.4 percent over the first three months of last year. Permits issued in January, 1978, showed an increase of 70.7 percent over the same period last year, the study disclosed.

The study indicated that 302 housing units are now under construction, 130 of which were one-family units and 172 were condominiums. In addition, there were 875 housing projects included in development plans for various urban areas.

A poll of local businessmen, according to the Planning Ministry, indicated they were renewing investments because of several factors, among which were the end of the Panama Canal problem, the start of operations on planned infrastructure which guarantee a continued development of the country, newly established incentive laws, a stability in labor-management relationships and the gradual improvement in the market with the disposal of surplus condominiums which were built but not sold since 1975.

An analysis of the market indicated that if the present pace of housing assignments continue, without perceptible increases in new constructions, the 1979 demand would be greater than the available supply of new housing. As a consequence, new constructions to get underway within the next months will have a good market when completed next year.

The condominium sector is divided mainly into one B/.3 million structure in La Cresta and four condominiums in Punta Paitilla for a total investment of B/.11.2 million.

One builder stressed that the La Cresta structure should have started three years ago, but due to the prevailing economic situation during that period, construction was postponed. Now, one third of the building has already been sold.

Another project of importance is the new Banco Union building, having an investment of B/.6 million and which will generate employment for 300 persons. The construction of the 18-story structure is programmed for November of this year.

"It is undeniable that since 1975 there has not been such an ample construction movement involving private investments. This shows an improvement in expectations that existed prior to the approval of the second canal treaty," a Planning Ministry spokesman explained.

"One of the main problems in the construction industry has been a lack of credit, but existing demands are permitting constructors to sell sufficient units based on plans to overcome this obstacle. It is also expected that banking institutions will respond to the real necessities of the market," the spokesman added.

Investments to be made in housing developments during the next 12 months will involve a total of B/.21.1 million, which foretells an excellent distribution of benefits.

The First Savings Bank will finance four developments to be constructed immediately, which will call for 73 housing units at an investment of B/.2.2 million. These will include nine units at Las Lomas, 28 at Los Pinos No 2, 10 duplexes on Via Aeropuerto and 26 at Hato Pintado.

The Diaz y Guardia construction firm plans to invest B/.6.4 million to build 255 housing units in three company developments, to start immediately.

These investments will generate employment for 150 additional persons, at a monthly payroll of B/.30,000. Sixty of the units will be located in Reparto Chanis, 150 at Balmoral and 45 in Las Sabanas.

The Banco General S.A. and its subsidiaries expect to invest B/.4.4 million this year in 130 housing units distributed in 13 projects, with construction to generate employment for approximately 220 persons.

Aseguradora Interoceanica Capitalizadora is constructing 67 units for middle class families at an investment of B/.3.5 million.

Then there is the low cost housing program being sponsored by the Housing Ministry through private companies for a total value of B/.27 million, which will contribute greatly to the industry.

The reactivation of the construction industry is considered an important factor to the national economy since it will tend to lessen unemployment. Businessmen who are involved in these investments estimate that 6,143 persons will benefit from employment.

BRIEFS

ANTIRABIES CAMPAIGN--The Health Ministry has announced that it will intensify its canine antirabies vaccination campaign. Since a case of canine rabies was reported in the capital, the vaccination campaign has been extended to the various corregimientos, where dog owners are being encouraged to cooperate. In accordance with this effort, the campaign to control stray dogs will also be continued. [Panama City Domestic Service in Spanish 2230 GMT 25 Apr 78 PA]

BELIZE

OPPOSITION LEADER ON DEFENSE FORCE, OTHER ISSUES

FL012025Y Bridgetown ADVOCATE-NEWS in English 26 Apr 78 p 5 FL

[By Bertram Niles]

[Excerpts] Belizean opposition leader Mr. Dean Lindo has said that the proposed Caribbean defence force for the Central American colony would serve no useful purpose.

Mr. Lindo, who left Barbados yesterday after a two-day visit, emphasised however that he had the greatest respect for the Caribbean islands, but felt that they could not provide the necessary military safeguard.

Mr. Lindo had been in Barbados on the last leg of a Caribbean tour designed to air the views of the opposition in Belize.

He said that at the last election, about 48 per cent of the Belizean people voted for his party, the United Democratic Party, and he felt that it was only fair that the party states its position on the issue.

Mr. Lindo said that he recognized the efforts of the Caribbean in the Belizean dispute but indicated that the region's influence would be in the area of diplomacy, "where it has done a wonderful job." He maintained, however, that his party was strongly committed to integration within the region.

Mr. Lindo said that his party was strongly against any cession of territory to Guatemala. "We owe them nothing," he emphasised.

The opposition leader said that the government's constant posturing about independence was probably what forced Britain to offer land and other concessions to end the dispute.

Mr. Lindo said that his party was not against independence, but felt that it would not be in the best interest of Belize that full statehood be granted at this time.

He indiciated that with the Guatemalan question still "hanging over our backs", independence was not the answer.

Mr. Lindo said that should his party win the next general elections due next year, it would continue negotiations and hope that Guatemala is persuaded to abandon its intentions.

He said that Guatemala's position was weakening judging from the support Belize has been getting in international forums. "Time is on our side," he said.

The opposition leader said that the United States had a role to play in the dispute. He indicated that pressure should be put on the U.S. to use its influence on Guatemala.

He described it as a great opportunity for the U.S. to show that it is serious about its human rights posture. "This is a human rights situation," he declared.

COSTA RICA

UNITY PARTY CONTROLS ASSEMBLY; PRESIDENT ADDRESSES COUNTRY

PA021446Y San Jose Cadena de Emisoras Columbia in Spanish 1220 GMT 2 May 78 PA

[SERCANO Network]

[Text] The Unity Party has won control of the Legislative Assembly for the first time in 30 years. The National Liberation Party lost control of the Legislative Assembly when two independent deputies voted for the Unity Party slate, while three Communist Party deputies voted for their party's candidate.

The Unity Party was elected yesterday, thereby giving the party complete control of the Legislative Assembly since it now has the opportunity to form the permanent commissions of the assembly according to its own wishes and to make whatever administrative changes it considers necessary for the better functioning of the assembly, in line with the policies of the government that will assume its executive functions on 8 May.

Rodrigo Madrigal Nieto was elected president and Alvaro (Cubillo) Aguilar vice president. In his address to the country yesterday, 1 May, at the Legislative Assembly, President Daniel Oduber Quiros said among other things: I am returning to my home happy that I have served Costa Rica with devotion. God helped me to be patient enough to pardon those who have offended me and humble enough to ask the pardon of those whom I may have offended.

In another portion of his speech, President Oduber said that he was ending his period of government with his conscience at peace, having left a Costa Rica that is better than it had been and a government which has been able to generate optimism among Costa Ricans. The president said that all Costa Ricans had helped him, through their exceptional qualities, to preserve and strengthen each of the characteristics inherited from our forebearers.

Oduber made these statements during the special session of the Legislative Assembly on 1 May.

Legislative Assembly President Rodrigo Madrigal Nieto, during the swearing-in ceremony for the new deputies, highlighted the democratic tradition which was being preserved through him--the dialog in which the chief executive reports to the people, through his representatives, on his actions, his goals and his concerns. In referring to the presidential address, Madrigal Nieto refrained from detailed comment on its content, saying that the report will have to be analyzed in the future with dispassionate objectivity and with the cooperation of comptroller organizations, technical agencies and specialists.

GOVERNMENT ANNOUNCES NEW TUNA FISHING POLICIES

PA030210Y Panama City ACAN in Spanish 2245 GMT 2 May 78 PA

[Text] San Jose, 2 May (ACAN-EFE)--The Costa Rican Government has warned all signatories of the Inter-American Tropical Tuna Commission (CIAT) that it will pursue and seize all boats entering its territorial waters without authorization. The warning comes in the wake of criticism of CIAT by the office of the U.S. secretary of state, depositary of the agreement.

Now that it has patrol boats Costa Rica will protect its marine resources and will require a permit and the payment of tuna-fishing fees equivalent to $30 per ton, depending on whether the ship's registered tonnage exceeds 400.

Last week CIAT was officially criticized as harming Costa Rican interests because of the non-Latin American powers' unwillingness to modify their rules and adapt them to the new Law of the Sea principles.

As he announced today that from now on Costa Rica's tuna policy will be based on its own internal laws, Foreign Minister Gonzalo J. Facio described the fishing powers' myopic attitude as the determining factor in CIAT's collapse.

Facio Press Conference

PA022025Y San Jose Radio Reloj in Spanish 1730 GMT 2 May 78 PA

[Excerpt] Foreign Minister Gonzalo J. Facio has just ended a news conference which was almost entirely devoted to the case of the tuna boats that were captured and released during the past weeks.

The foreign minister said that he has sent a note to U.S. Secretary of State Cyrus Vance in which he stated to the Government of the United States and other states that are party to the Inter-American Tropical Tuna Commission that the convention is incompatible with the accepted principles of the new Law of the Sea, particularly those principles which recognize an exclusive right on the part of the coastal state to exploit resources within its 12-mile territorial sea and the contiguous territorial sea [as heard] or exclusive economic zone of up to 200 miles. As far as certain statements which provoked controversy are concerned, particularly those made by certain deputies--specifically Juan Jose Echeverria, a deputy in the former Legislative Assembly--the foreign minister said that the tuna convention was ratified in 1949 by the founding junta of the republic in Decree 844.

Facio repeatedly mentioned the thesis that fishing boats cannot be stopped on charges of piracy. He said that it is an injustice for some groups to have attacked the judge [who presided in the case] because all he did was apply the law.

Asked about the lack of coordination between public security authorities and Foreign Ministry officials regarding the legal aspect of the case, Facio said that the error was committed by those who carried out the order to capture the boats, since Minister Mario Charpentier could not know whether or not the boats were within our territorial sea. He said that Captain Moreno had acted hastily.

Another important announcement which the foreign minister has just made to the republic concerns the note sent in answer to the Nicaraguan Government's protest note regarding acts of subversion committed by Nicaraguans in Costa Rican territory. The protest stemmed from statements made by Plutarco Hernandez to the effect that Costa Rica is a military fortress for Sandinist actions. This statement, Facio said, is based on fantasy, and we do not accept it. The foreign minister said Costa Rica does not lend itself to use as a launching pad for subversive Sandinist activities.

With regard to Plutarco Hernandez' request for a pardon, the foreign minister said that there is no time for the request to be processed. He said that it will be up to the next administration, which will take office in 8 days, to respond to the request, which at present is being processed through the usual channels. The foreign minister has so informed his colleague in Nicaragua.

EL SALVADOR

INTERNATIONAL LABOR DAY PEACEFUL IN SAN SALVADOR

PA021433Y Panama City ACAN in Spanish 2330 GMT 1 May 78 PA

[Text] San Salvador, 1 May (ACAN-EFE)--The 1 May International Labor Day celebrations took place without incident in San Salvador today. The United Confederation of Salvadoran Workers (CUT) staged a demonstration which started in the eastern part of the capital and ended with a rally in the downtown Libertad Park. About 3,000 workers gathered at the park to hear speeches by trade union leaders.

The rally planned by the United Popular Action Front (FAPU) was not held as scheduled. No reasons were given. FAPU is occupying the Red Cross offices in San Salvador and the western city of Santa Ana demanding the release of political prisoners.

Last year the leftist Popular Revolutionary Bloc (BPR) was the only group which tried to commemorate the day publicly, an attempt which led to an armed clash with security corps. A toll of eight civilians were killed. At the time, a state of siege decreed by the government Arturo Armando Molina was in force due to the political situation.

This year the BPR only distributed fliers greeting workers, criticizing the government and inviting readers to unspecified activities which were to be held today.

GUATEMALA

POLICE DISCOVER GUERRILLA CAMPS IN NORTH

PA022344Y Panama City ACAN in Spanish 2230 GMT 2 May 78 PA

[Text] Guatemala City, 2 May (ACAN-EFE)--The Guatemalan police today announced the discovery of guerrilla camps in the northern provinces of Quiche and Huehuetenango. Police contingents reportedly have been sent to the area to find the rebels, who in recent weeks have been indoctrinating and giving military training to peasants in the area.

According to the police report, the guerrillas were detected yesterday, Monday, 1 May, as they were holding propaganda meetings in a number of northern Guatemalan towns. The rebels are believed to belong to the clandestine Poor People's Guerrilla Army, which since the 1976 earthquake has been waging what it describes as "a people's war against the government and state institutions."

NICARAGUA

CGT, UDEL LEADERS RELEASED; DENOUNCE REPRESSION

PA021947Y Panama City ACAN in Spanish 1700 GMT 2 May 78 PA

[Text] Managua, 1 May (ACAN-EFE)--Police today released two leaders of the leftist-leaning "Independent General Labor Confederation" (CGT), who were arrested while participating in a Labor Day rally in Las Palmas Church of this capital. Leaders Carlos Salgado, Domingo Sanchez Sancho (Chaguitillo), Amadeo Vanegas, Alejandro Solorzano, Jose Martinez Lopez and Ivan Otero were at the central police headquarters where they were taken on charges of "holding a demonstration without permission from the political leadership."

Also arrested together with the CGT leaders was Rafael Cordoba Rivas, president of the opposition Democratic Liberation Union (UDEL), who was released this morning. The UDEL groups eight political opposition movements and two labor centrals.

Although they did not complain of physical mistreatment, the labor leaders protested the arbitrary arrest to which they were subjected, terming it "new repression by Gen Anastasio Somoza's regime of the independent workers movement."

WORKERS OCCUPY BISHOP'S RESIDENCE IN GRANADA

PA030244Y Managua Radio Corporacion in Spanish 2300 GMT 2 May 78 PA

[SERCANO Network]

[Text] At 1000 today 35 workers occupied the bishop's residence in Granada. The workers said they are members of the committee of solidarity with the Nicaraguan people. They said that the occupation is for an indefinite period of time.

The workers said that they seized the residence to demand the release of 10 workers arrested yesterday while participating in Labor Day demonstrations. They also demand the reopening of Radio Mundial and the abolition of the radio and television code.

So far there has been no contact with church authorities or members of the National Guard.

PLN LEADERS MEET TO DISCUSS PARTY RENEWAL

PA020406Y Managua NOVEDADES in Spanish 26 Apr 78 pp 2, 39 PA

[Excerpts] The leadership, party convention representatives and alternates of the Managua chapter of the Nationalist Liberal Party [PLN] last night expressed their support for a complete renewal of the party and the holding of a plebiscite to create a new and more active party structure.

The PLN showed its capability to adjust to the process of change in the country at a meeting in which the party's future plans were outlined and analyzed.

Orlando Montenegro Medrano, the Managua delegate to the PLN's national and legal board, stressed the basic reasons for the meeting, pointing out that the plebiscite will renew the great convention [la gran convencion] and that increased militancy will vigorously confront those who shamelessly foment and promote the violation of the law.

With his usual fluency, Montenegro Medrano said that minors are being urged "to stage demonstrations demanding a freedom which has never been denied to them."

"It is impossible for the PLN to remain silent under the present circumstances," he added.

"The partial reform of the constitution, besides offering a political opening, is the best way for the people and the youth to find in an atmosphere of freedom the path to change, a change that will strengthen, not destroy, the democratic foundations of the country."

Eugenio Solorzano, Aldo Guerra Duarte, Mary Coco Maltex de Callejas and other speakers praised the decision to renew the party, as the political opening is not only for the other political parties, but also imposes on the PLN the unavoidable duty of getting abreast of the new ideological trends prevailing in the country.

IRAQI VICE PRESIDENT HONORS MARTI, BEGINS TALKS

FL021608Y Havana Domestic Service in Spanish 1602 GMT 2 May 78 FL

[Text] Iraqi Vice President Dr Taha Muhyi ad-Din Ma'ruf today laid a floral wreath at the Jose Marti monument in the Plaza de la Revolucion. Cuban Foreign Minister Isidoro Malmierca, other Cuban officials and the delegation accompanying the Iraqi vice president participated in the solemn ceremony.

Talks between the official delegations of the Iraqi and Cuban governments begin this morning in our capital.

Iraqi Vice President Taha Muhyi ad-Din Ma'ruf heads a large delegation from his government and the Ba'th Socialist Party which arrived in Cuba Sunday afternoon in response to an official invitation from our government.

Official Talks Begin

FL030031Y Havana Domestic Service in Spanish 0000 GMT 3 May 78 FL

[Text] The official talks between Cuba and Iraq began today in this capital with Dr Carlos Rafael Rodriguez, vice president of the Council of State and Council of Ministers, and Iraqi Vice President Dr Taha Muhyi ad-Din Ma'ruf presiding over the two delegations. Also participating in the talks are Cuban Foreign Minister Isidoro Malmierca, Iraqi Foreign Minister Sa'dun Hammadi and other officials from the two countries.

At the meeting Taha Muhyi ad-Din Ma'ruf and Carlos Rafael Rodriguez had an extensive exchange on bilateral relations; the international situation; developments in the Middle East, Africa and Latin America, problems of the nonalined movement, and in particular the preparations for the sixth summit in Havana, which will be followed in 1982 with the summit in Baghdad. They discussed the strong ties of friendship which join Cuba and Iraq, which will become even stronger because of the visit of the delegation headed by Ma'ruf.

RECEPTION HONORS SOCIALIST WOMEN'S LEADERS

FL021122Y Havana Domestic Service in Spanish 1100 GMT 2 May 78 FL

[Text] Vilma Espin, president of the Federation of Cuban Women [FMC]--and member of the PCC Central Committee, has given a reception in honor of the presidents of socialist women's organizations who are attending a meeting in our country. The reception was given at the Cubanacan protocol hall and was attended by PCC Politburo members Blas Roca and Jose Ramon Machado Ventura and Secretariat member Antonic Perez Herrero. Others present included Fanny Edelman, secretary general of the Women's International Democratic Federation; Dora Carcano, secretary general of the FMC and alternate member of the PCC Central Committee; other members of the FMC National Secretariat, and diplomats from socialist countries accredited to our country.

PEREZ HERRERO RECEIVES HUNGARIAN PARTY DELEGATION

FL021731Y Havana Domestic Service in Spanish 1700 GMT 2 May 78 FL

[Text] PCC Central Committee Secretariat member Antonio Perez Herrero has met with the Hungarian Socialist Workers Party [MSZMP] delegation that is visiting our country. The delegation is headed by Mihaly Kornidesz, chief of the MSZMP Department of Scientific, Public Education and Cultural Affairs. The other members of the delegation and Hungarian Ambassador Jeno Jakus participated in the meeting.

PEREZ HERRERO MEETS WITH BULGARIAN AMBASSADOR

FL022345Y Havana Domestic Service in Spanish 2230 GMT 2 May 78 FL

[Text] PCC Central Committee Secretariat member Antonio Perez Herrero has received the first copy of the book About Youth from the hands of Bulgarian Ambassador to Cuba Boncho Mitev. This title is the fruit of joint work between the Cuban Social Sciences Publishing House and the Sofia publisher [name indistinct]. It has fragments of speeches made by Commander in Chief Fidel Castro over the period 1959 to 1976 in which he speaks about youth. Thirty thousand copies of the 300-page book on youth was published. It will be distributed to those participating in the 11th World Youth and Students Festival, and therefore it has been printed in Spanish, English, French, Russian, German and Arabic.

POLITBURO MEMBERS ATTEND FUNERAL OF MONCADA COMBATANT

FL021116Y Havana Domestic Service in Spanish 1100 GMT 2 May 78 FL

[Text] Comrade Isidro Penalver, who participated in the attack on Moncada barracks on 26 July 1953, was buried yesterday in the Revolutionary Armed Forces pantheon at Colon Cemetery in Havana City. PCC Politburo members Ramiro Valdes and Pedro Miret, PCC Secretariat member Raul Garcia Pelaez and Central Committee member Jesus Montane attended the funeral of the dear comrade. Others present included Melba Hernandez, Jose Ponce and other Moncada combatants, comrades in revolutionary activities, relatives and people in general. Comrade Israel Tapanes, PCC Central Committee official and Penalver's comrade since the Moncada days, delivered the eulogy in behalf of the party.

NAVY UNIT RECEIVES UJC BANNER OF HONOR

FL021129Y Havana Domestic Service in Spanish 1100 GMT 2 May 78 FL

[Text] The Union of Young Communists--UJC--Banner of Honor, the top award which the youths' political organization confers on groups, has been presented to the commanders, officers, sergeants, sailors and civilian workers of a squadron of the Granma landing guard flotilla. The ceremony was presided over by Division Gen Senen Casas, first deputy minister of the Revolutionary Armed Forces--FAR--and chief of the general staff; Vice Adm Aldo Santamaria, FAR vice minister and chief of the Revolutionary Navy, both members of the PCC Central Committee; (Gerald Patterson), economic counselor of the Soviet Embassy in Cuba; Soviet military specialists; and FAR commanders and officers.

CUBAN-MEXICAN COOPERATION DOCUMENT SIGNED

FL030059Y Havana Domestic Service in Spanish 0000 GMT 3 May 78 FL

[Text] A document resulting from the third meeting of the Mexican-Cuban mixed committee on scientific and technical cooperation was signed today in Havana for the period 1978-79. Covering 11 sectors, the document was signed by Hector Rodriguez Llompart, minister-president of the State Committee for Economic Cooperation, and (Edmundo Flores), general director of the Mexican National Council of Science and Technology. Rodriguez Llompart stated that scientific-technical cooperation between our country and Mexico is developing successfully and that the agreements have been fulfilled above the agreed level.

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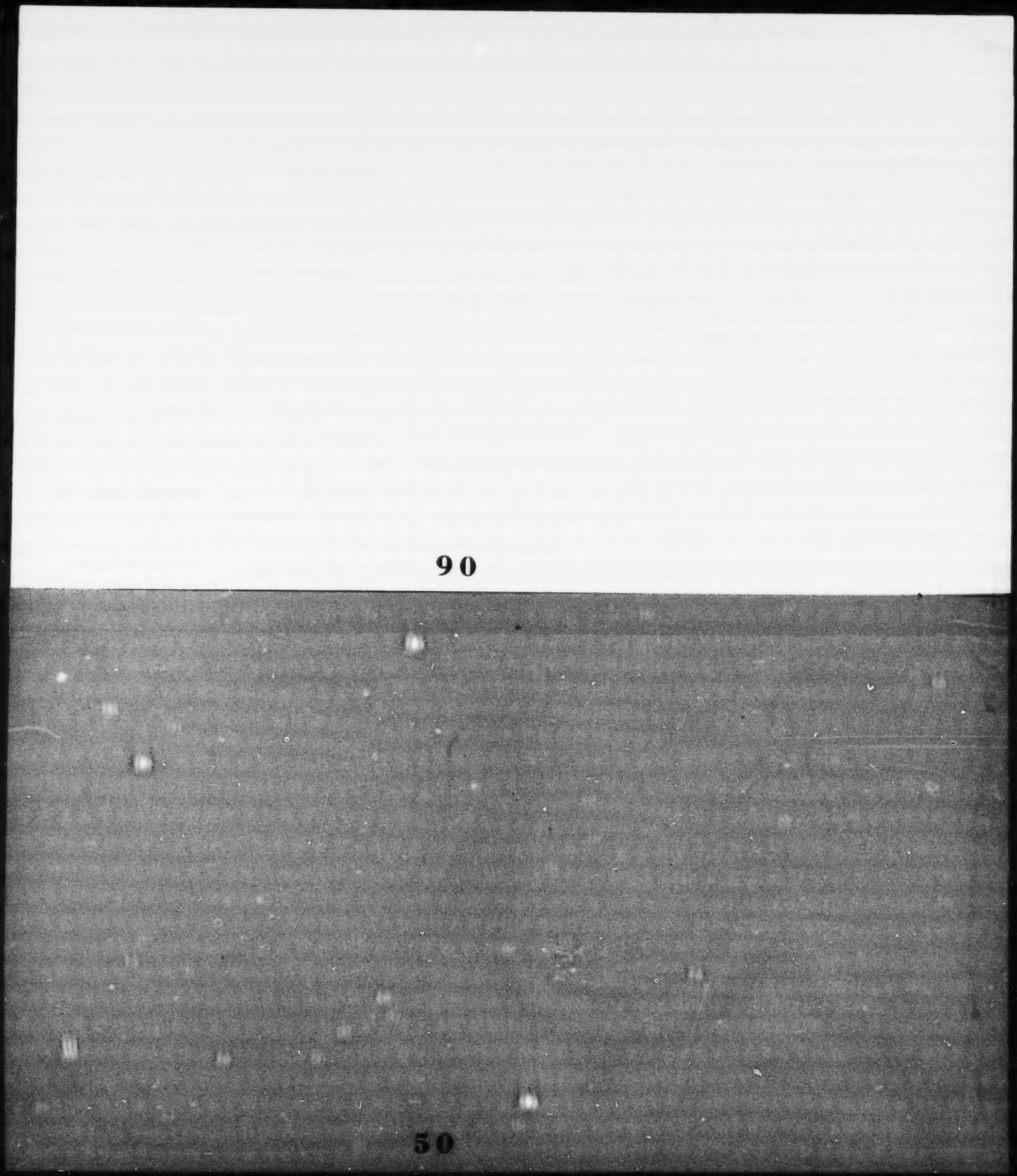
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